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TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2015

Friday, February 27, 2015
3:00 p.m.

Agenda # 3

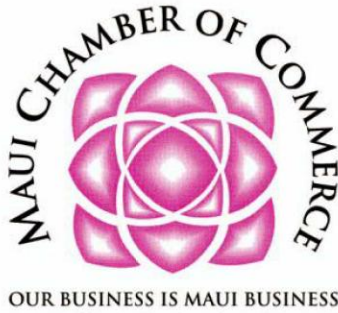
**TESTIMONY ON HOUSE BILL NO. 576, H.D. 1 – RELATING TO THE STATE
AFFORDABLE CARE ACT INNOVATION WAIVER.**

TO THE HONORABLE SYLVIA LUKE, CHAIR, AND MEMBERS OF THE
COMMITTEE:

My name is Gordon Ito, State Insurance Commissioner, testifying on behalf of the Department of Commerce and Consumer Affairs ("Department"). The Department supports this bill.

The purpose of this bill is to amend the scope of work of the State Innovation Waiver Task Force established by Act 158, Session Laws of Hawaii 2014, to conform with the requirements of the Patient Protection and Affordable Care Act of 2009 Section 1332 (waiver for state innovation), and provide the resources to carry out the timely development of a waiver as mandated by Act 158.

We thank this Committee for the opportunity to present testimony on this matter.



**TESTIMONY IN SUPPORT OF HB576 HD1
RELATING TO THE STATE AFFORDABLE CARE ACT**

TO THE HOUSE COMMITTEE ON FINANCE

Hawaii State Capitol, Conference Room 308
February 27, 2015
3:00PM

Dear Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Maui Chamber of Commerce supports HB 576 HD1, which amends scope of the State Innovation Waiver Task Force consideration and provides resources to develop a waiver from certain provisions of the Patient Protection and Affordable Care Act.

As our motto says, "Our Business is Maui Business" and we work behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Hawaii's innovation in health care has led it to be the only state with a mandated health care policy. While the Hawaii Prepaid Health Care Act has provided affordable health coverage to individuals, ACA has been very expensive in time and money for businesses in Hawaii. We believe this bill helps the state in being focused and successful in obtaining a waiver and minimizing the impact of ACA on employers.

Thank you for the opportunity to testify

Sincerely,

Pamela Tumpap
President



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Friday, February 27, 2015 at 3:00 P.M.
Conference Room 308, State Capitol**

**RE: HOUSE BILL 576 HD1 RELATING TO THE STATE AFFORDABLE CARE ACT
INNOVATION WAIVER**

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") **supports** HB 576 HD1, which amends scope of the State Innovation Waiver Task Force consideration and provides resources to develop a waiver from certain provisions of the Patient Protection and Affordable Care Act.

The Chamber is the largest business organization in Hawaii, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Hawaii's innovation in health care has led it to be the only state with a mandated health care policy. While the Hawaii Prepaid Health Care Act has provided affordable health coverage to individuals, ACA has been very expensive in time and money for businesses in Hawaii. We believe this bill helps the state in being focused and successful in obtaining a waiver and minimizing the impact of ACA on employers.

Thank you for the opportunity to testify.



THE QUEEN'S HEALTH SYSTEMS

To: Chair Sylvia Luke
Vice Chair Scott Y. Nishimoto
House Committee on Finance

From: Paula Yoshioka
Senior Vice President
The Queen's Health Systems

Re: HB 576 HD 1, Relating to the State Affordable Care Act Innovation Waiver
Hearing—February 27, 2015 at 3:00 PM

The Queen's Health Systems would like to express strong support for HB 576 HD 1, relating to the state of Hawaii's *Affordable Care Act* Innovation Waiver Task Force.

The *Affordable Care Act (ACA)* has expanded access to high-quality, affordable health care to millions of Americans. The *ACA* also includes a number of initiatives allowing states and providers to innovate ways to increase the quality of care while reducing costs. One of those initiatives is the State Innovation Waiver, which will allow states to implement their own health reform approaches to best fit the needs of their residents.

Supporting the State Innovation Waiver Task Force will allow Hawaii to remain at the forefront of health policy innovation, helping to set examples for the rest of the country. We have full confidence that the current task force members are dedicated to ensuring that any waiver submitted will ensure high-quality, affordable care for our residents. We urge you to support our State Innovation Waiver Task Force and HB 576 HD 1.

Thank you for your time and consideration of this matter.

The mission of The Queen's Health Systems is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.



House Committee on Finance

The Hon. Sylvia Luke, Chair

The Hon. Scott Y. Nishimoto, Vice Chair

Testimony on House Bill 576 HD1
Relating to the State Affordable Care Act Innovation Waiver
Submitted by Nani Medeiros, Public Affairs and Policy Director
February 27, 2015, 3:00 pm, Room 308

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 576, which provides resources for the creation of a state innovation waiver.

In 2014, the legislature passed Act 158 establishing a state innovation task force that would devise a health care reform plan that would both comply with provisions of the Affordable Care Act and improve the overall functioning of the healthcare system in Hawaii. House Bill 576 seeks to build on that by providing the resources for the formal drafting of this vital plan.

Thank you for the opportunity to testify.



Friday, February 27, 2015 – 3 p.m.
Conference Room #308

House Committee on Finance

To: Rep. Sylvia Luke, Chair
Rep. Scott Nishimoto, Vice Chair

From: George Greene
President & CEO
Healthcare Association of Hawaii

Re: **Testimony in Support**
HB576 HD1 — Relating to the State Affordable Care Act (ACA) Innovation Waiver

The Healthcare Association of Hawaii (HAH) is a 160 member organization that includes all of the acute care hospitals in Hawaii, the majority of long term care facilities, all the Medicare-certified home health agencies, all hospice programs, as well as other healthcare organizations including durable medical equipment, air and ground ambulance, blood bank and respiratory therapy. In addition to providing quality care to all of Hawaii's residents, our members contribute significantly to Hawaii's economy by employing over 20,000 people statewide.

Thank you for the opportunity to testify in **support** of HB576 HD1, which provides resources to develop a waiver from certain provisions of the Patient Protection and Affordable Care Act. The ACA waiver is an important tool that allows states to amend provisions of the ACA to better support unique circumstances that exist in their healthcare market.

With the passage of Act 158 (SLH 2014), the Healthcare Association of Hawaii was an active participant in the deliberations of the State ACA Innovation Waiver Task Force, and concurs with the findings and recommendations outlined in the report submitted to the legislature. While this task force is not set to be dissolved until 2017, it is clear that resources are sorely needed by the Office of the Governor to meet all the specified requirements and recommendations for the waiver proposal for consideration by the legislature.

Thank you for the opportunity to testify in support of HB576 HD1.



February 27, 2015

The Honorable Sylvia Luke, Chair
The Honorable Scott Nishimoto, Vice Chair
House Committee on Finance

LATE

Re: HB 576 HD1 – Relating to Health

Dear Chair Luke, Vice Chair Nishimoto and Members of the Committee:

The Hawai'i Association of Health Plans (HAHP) respectfully submits comments supporting the intent of HB 576 HD1, which seeks to continue work initiated by the State Innovation Waiver Task Force towards developing a health care reform plan that meets the requirements for obtaining a state innovation waiver that complies with the Affordable Care Act (ACA) of 2009.

HAHP appreciates the Committee's commitment to investing in the work of the Task Force. As you know, Hawaii leads the country in having the lowest number of uninsured residents thanks to the Hawaii Prepaid Health Care Act (PHCA); therefore, the efforts of the Task Force to preserve the PHCA while also adhering to the ACA's goals and directives are essential.

The innovation waiver application drafted by the Task Force can show the nation how Hawaii's already successful PHCA is best able to co-exist with and complement the ACA. Consequently, it is imperative that the Task Force includes participation by and receive sufficient support from all parties in the health care system.

While we certainly support the intent of HB 576 HD1, we have some concern that the additional language inserted in the HD1 asking to examine the feasibility of alternative approaches to the health reform requirements described in the ACA may potentially delay the request from the state for the Innovation Waiver. While the amendments to this bill are worthy, we believe the Task Force's efforts should remain focused on highlighting the already effective PHCA.

We appreciate your consideration of our comments and for allowing HAHP to testify on HB 576 HD1.

Sincerely,

Wendy Morriarty
Chair, HAHP Public Policy Committee

Cc: HAHP Board Members